



# California Fair Political Practices Commission

March 5, 1987

John R. Shaw  
City Attorney  
32400 Paseo Adelanto  
San Juan Capistrano, CA 92675

Re: Your Request for Advice  
Our File No. A-87-045

Dear Mr. Shaw:

You have requested advice on behalf of City of San Juan Capistrano Planning Commissioner Carolyn Nash regarding her duties under the conflict of interest provisions of the Political Reform Act (the "Act").<sup>1/</sup>

## QUESTION

If a developer provides free leasehold space to a nonprofit corporation founded by her husband, will Ms. Nash be prohibited from participating in zoning entitlement decisions brought before the planning commission by the developer?

## CONCLUSION

Ms. Nash may participate in zoning entitlement decisions brought before the planning commission by a developer who has provided free leasehold space to a nonprofit corporation founded by her husband.

## FACTS

The San Juan Capistrano Research Institute ("Institute") is a California nonprofit corporation formed in May, 1986. Its

---

<sup>1/</sup> Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Administrative Code Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Administrative Code.

founder is Ms. Nash's spouse, Douglas Nash. Presently, Mr. Nash is not compensated. However, it is intended that as the Institute grows, Mr. Nash, as President and Chief Operating Officer, will be paid an administrator's salary.

The Institute's plan is to find a location in the City of San Juan Capistrano and to recruit distinguished scientists with established funding sources to conduct basic research in the areas of global earth and planetary studies. It is intended that funding to the corporation shall be from two sources. First, federal grants for scientific projects shall be the major source of funding. Second, the Institute intends to have an ongoing drive for donations, gifts and endowments. The likelihood is that federal grant money will constitute somewhere between 80 to 95 percent of the total funding of the corporation.

Recently, Mr. Nash has had discussions with Birtcher Properties, a large commercial office developer located in the Orange County area. Birtcher may offer free leasehold space to the Institute. The space would have a value in excess of \$250. The leasehold space would be located within a building located in the city's downtown redevelopment project area. Concurrently, the developer is negotiating with the city's redevelopment agency to be named as the project developer of the project area. As a planning commissioner, Ms. Nash will not be involved in this decision. If this developer is selected by the redevelopment agency, the developer will thereafter be required to obtain zoning approvals from the city's planning commission.

#### ANALYSIS

Section 87100 prohibits a public official from making, participating in, or attempting to influence a governmental decision in which he knows or has reason to know he has a financial interest. A public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally on, among other things:

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made.

Section 87103(e).

John R. Shaw  
March 5, 1987  
Page 3

Regulation 18726.2(a) provides:

(a) Gifts given directly to members of an official's immediate family are not gifts to the official unless used or disposed of by the official or given by the recipient member of the official's immediate family to the official for disposition or use at the official's discretion.

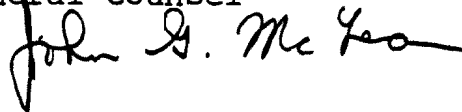
In the present situation Birtcher properties is considering donating a gift worth \$250 or more to the Institute. There is some basis for contending that this is a gift to Ms. Nash's spouse. (See Advice Letter to Daniel S. Hentschke, No. A-80-03-069, copy enclosed.) However, we are not aware of any facts that indicate that this will be a gift to Ms. Nash. Absent such facts, the gift will not require Ms. Nash to disqualify herself from participation in zoning entitlement decisions brought before the planning commission by Birtcher.

You have also asked whether the Institute's ongoing donation drive could present possible conflict situations. As an example, you have asked whether Ms. Nash would be disqualified in a situation in which a restaurateur makes an endowment to the Institute and the restaurateur later applies to the planning commission for a building addition permit. The answer to this question could depend upon whether Mr. Nash was receiving income from the Institute, whether the endowment would affect that income, the size of the endowment, etc. For example, if the endowment paid all or portion of Mr. Nash's income, it could be a basis for disqualification. I would be happy to discuss with you any particular factual situation which may arise.

If you should have any questions, please contact me at (916) 322-5901.

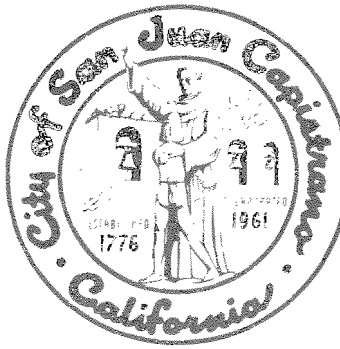
Sincerely,

Diane M. Griffiths  
General Counsel



By: John G. McLean  
Counsel, Legal Division

DMG:JGM:plh  
Enclosure



MEMBERS OF THE CITY COUNCIL:  
ANTHONY L. BLAND  
LAWRENCE F. BUCHHEIM  
KENNETH E. FRIZZ  
GARY L. HAUSDORFER  
PHILLIP R. SCHWARTZ

CITY MANAGER  
STEPHEN B. JULIAN

February 2, 1987

Mr. John McLean, Esq.  
Conflicts Division  
Fair Political Practices Commission  
428 "J" Street  
Sacramento, CA 95814

Re: San Juan Capistrano Planning Commissioner Conflict  
of Interest Matter

Dear Mr. McLean:

This letter is to request an informal opinion regarding whether City of San Juan Capistrano Planning Commissioner Carolyn Nash could have a conflict of interest with respect to public decisions made by the City's Planning Commission which have a material financial effect on sources of income to the San Juan Capistrano Research Institute. As you will recall, we previously discussed the facts of this matter on the telephone and you opined that there could be a possible conflict of interest based on the reasoning of the FPFC Carlsbad closed corporation letter opinion dated March 3, 1980.

I have since thoroughly reviewed the facts involving the formation and operation of the San Juan Capistrano Research Institute with its founder, Douglas Nash, spouse of Planning Commissioner Carolyn Nash. It is Mrs. Nash's desire to seek an informal opinion from the Fair Political Practices Commission on the belief that there may be significant factual differences between the Carlsbad closed corporation scenario and this Institute.

#### FACTUAL SETTING

The San Juan Capistrano Research Institute is a California non-profit corporation formed on or about May 1986. The Articles of Incorporation, By-Laws, Prospectus, and Presentation of the Institute are enclosed for your review.

The Institute was formed for the purpose of conducting basic research in the areas of global earth and planetary studies. Its founder, Douglas Nash, is a scientist with JPL Laboratories in Pasadena. JPL is an arm of the California Institute of Technology. The Institute's plan is to find a location in the City of San Juan Capistrano and recruit distinguished scientists with established funding sources to conduct the above stated research.

John McLean, Esq.  
February 2, 1937  
Page Two

The corporation is directed by a board of trustees which shall have a total number of 15 in the future (See Art. 4, Sec. 1). Douglas Nash has plenary power initially to select the first 15 trustees. Mr. Nash has chosen himself as one of the trustees (see Art. 4, Sec. 4). The remainder are selected by election of the board of trustees (Art. 4, Sec. 4).

Presently, nine (9) trustees have been selected. The remaining six will be selected at a later date. The nine trustees have signed the By-Laws of the corporation (see page 12 of the By-Laws). The trustees are unrelated to its founder and are located in this and other states.

In addition, the board of trustees has formed an Executive Committee pursuant to Article 6 of the By-Laws. The Executive Committee is composed of three trustees, one of whom is Douglas Nash. The Executive Committee has been delegated all of the powers of the Board of Trustees subject to certain exceptions which are set forth in Article 6. The intent of this delegation of power is to enable the corporation to act quickly when needed. An example might be the execution of a leasehold.

It is intended that the source of income to the corporation shall be from two sources. First, federal grants for scientific projects shall be the major source of funding. Second, the Institute intends to have an ongoing drive for donations, gifts and endowments. The reason for an ongoing donation drive is that federal grants are more easily obtained where the percentage of overhead can be minimized. The likelihood is that federal grant money will constitute somewhere between 80 to 95 percent of the total funding of the corporation.

It is further intended that as the Institute grows, Douglas Nash, as President and Chief Operating Officer, would be paid an administrator's salary. To date, the corporation has received only \$700.00 in donations from outside sources. Douglas Nash has expended approximately \$3,000.00 of his own funds to form the corporation. Mr. Nash represents that he cannot provide any more funding and that the corporation can go forward only from seed funding from donations and gifts.

Presently, Mr. Nash has had discussions with Birchler Properties, a large commercial office developer located in the Orange County area. This developer may offer free leasehold space to the Institute which would have a value in excess of \$250,00 (the leasehold would be executed between the developer and the non-profit corporation). The leasehold space would be located within a building located in the City's downtown redevelopment project area. Concurrently, the developer is negotiating with the City's Redevelopment Agency to be named as the project developer of the project area. If this developer is selected by the Redevelopment Agency, the developer will thereafter be required to obtain zoning approvals from the City's Planning Commission (note that the Planning Commission is not involved in the selection of the redeveloper).

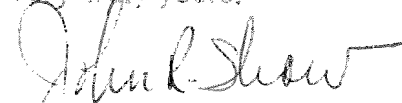
Should developer provide free leasehold space to the Institute, would Commissioner Nash have to disqualify herself from participating in zoning entitlement actions brought before the Planning Commission by this developer.

John McLean, Esq.  
February 2, 1987  
Page Three

in addition to this immediate question, Commissioner Nash also has a broader concern that the Institute's ongoing donation drive could present similar conflict questions. Assume, for example, that a restaurateur makes an endowment to the Institute and that later this restaurateur applies to the City's Planning Commission for a building addition permit to the restaurant. Would Commissioner Nash be required to disqualify herself because of the prior grant of funds by the restaurateur to the non-profit corporation?

These issues are of great concern to Commissioner Nash particularly because she is greatly committed to carrying on her work on the Planning Commission. Your prompt consideration of these issues are most appreciated.

Very truly yours,



JOHN L. SHAW  
City Attorney

JKS/el  
Encls.



# California Fair Political Practices Commission

February 5, 1987

John R. Shaw  
City Attorney  
32400 Paseo Adelanto  
San Juan Capistrano, CA 92675

Re: 87-045

Dear Mr. Shaw:

Your letter requesting advice under the Political Reform Act was received on February 3, 1987 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact John G. McLean, an attorney in the Legal Division, directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days. You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

A handwritten signature in cursive script that reads "Diane M. Griffiths".

Diane M. Griffiths  
General Counsel

DMG:plh  
cc: Carolyn Nash



MEMBERS OF THE CITY COUNCIL  
ANTHONY L. BLAND  
LAWRENCE F. BUCHHEIM  
KENNETH E. FRIESS  
GARY L. HAUSDORFER  
PHILLIP R. SCHWARTZ

CITY MANAGER  
STEPHEN B. JULIAN

February 2, 1987

Mr. John McLean, Esq.  
Conflicts Division  
Fair Political Practices Commission  
428 "J" Street  
Sacramento, CA 95814

Re: San Juan Capistrano Planning Commissioner Conflict  
of Interest Matter

Dear Mr. McLean:

This letter is to request an informal opinion regarding whether City of San Juan Capistrano Planning Commissioner Carolyn Nash could have a conflict of interest with respect to public decisions made by the City's Planning Commission which have a material financial effect on sources of income to the San Juan Capistrano Research Institute. As you will recall, we previously discussed the facts of this matter on the telephone and you opined that there could be a possible conflict of interest based on the reasoning of the FPPC Carlsbad closed corporation letter opinion dated March 5, 1980.

I have since thoroughly reviewed the facts involving the formation and operation of the San Juan Capistrano Research Institute with its founder, Douglas Nash, spouse of Planning Commissioner Carolyn Nash. It is Mrs. Nash's desire to seek an informal opinion from the Fair Political Practices Commission on the belief that there may be significant factual differences between the Carlsbad closed corporation scenario and this institute.

#### FACTUAL SETTING

The San Juan Capistrano Research Institute is a California non-profit corporation formed on or about May 1986. The Articles of Incorporation, By-Laws, Prospectus, and Presentation of the Institute are enclosed for your review.

The Institute was formed for the purpose of conducting basic research in the areas of global earth and planetary studies. Its founder, Douglas Nash, is a scientist with JPL Laboratories in Pasadena. JPL is an arm of the California Institute of Technology. The Institute's plan is to find a location in the City of San Juan Capistrano and recruit distinguished scientists with established funding sources to conduct the above stated research.



John McLean, Esq.  
February 2, 1987  
Page Two

The corporation is directed by a board of trustees which shall have a total number of 15 in the future (See Art. 4, Sec. 1). Douglas Nash has plenary power initially to select the first 11 trustees. Mr. Nash has chosen himself as one of the trustees (see Art. 4, Sec. 4). The remainder are selected by election of the board of trustees (Art. 4, Sec. 4).

Presently, nine (9) trustees have been selected. The remaining six will be selected at a later date. The nine trustees have signed the By-Laws of the corporation (see page 19 of the By-Laws). The trustees are unrelated to its founder and are located in this and other states.

In addition, the board of trustees has formed an Executive Committee pursuant to Article 6 of the By-Laws. The Executive Committee is composed of three trustees, one of whom is Douglas Nash. The Executive Committee has been delegated all of the powers of the Board of Trustees subject to certain exceptions which are set forth in Article 6. The intent of this delegation of power is to enable the corporation to act quickly when needed. An example might be the execution of a leasehold.

It is intended that the <sup>funding</sup> ~~source of income~~ to the corporation shall be from two sources. First, federal grants for scientific projects shall be the major source of funding. Second, the Institute intends to have an ongoing drive for donations, gifts and endowments. ~~The reason for an ongoing donation drive is that federal grants are more easily obtained where the percentage of overhead can be minimized.~~ The likelihood is that federal grant money will constitute somewhere between 80 to 95 percent of the total funding of the corporation.

It is further intended that as the Institute grows, Douglas Nash, as President and Chief Operating Officer, would be paid an administrator's salary. To date, the corporation has received only \$700.00 in donations from outside sources. Douglas Nash has expended approximately \$3,000.00 of his own funds to form the corporation. Mr. Nash represents that he cannot provide any more funding and that the corporation can go forward only from seed funding from donations and gifts.

Presently, Mr. Nash has had discussions with Birtcher Properties, a large commercial office developer located in the Orange County area. This developer may offer free leasehold space to the Institute which would have a value in excess of \$250.00 (the leasehold would be executed between the developer and the non-profit corporation). The leasehold space would be located within a building located in the City's downtown redevelopment project area. Concurrently, the developer is negotiating with the City's Redevelopment Agency to be named as the project developer of the project area. If this developer is selected by the Redevelopment Agency, the developer will thereafter be required to obtain zoning approvals from the City's Planning Commission (note that the Planning Commission is not involved in the selection of the redeveloper).

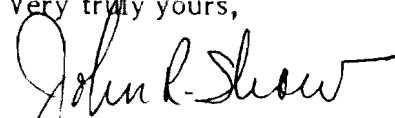
Should developer provide free leasehold space to the Institute, would Commissioner Nash have to disqualify herself from participating in zoning entitlement actions brought before the Planning Commission by this developer.

John McLean, Esq.  
February 2, 1987  
Page Three

In addition to this immediate question, Commissioner Nash also has a broader concern that the Institute's ongoing donation drive could present similar conflict questions. Assume, for example, that a restaurateur makes an endowment to the Institute and that later this restaurateur applies to the City's Planning Commission for a building addition permit to the restaurant. Would Commissioner Nash be required to disqualify herself because of the prior grant of funds by the restaurateur to the non-profit corporation?

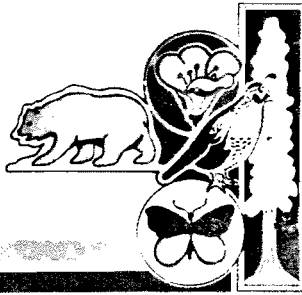
These issues are of great concern to Commissioner Nash particularly because she is greatly committed to carrying on her work on the Planning Commission. Your prompt consideration of these issues are most appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John R. Shaw".

JOHN R. SHAW  
City Attorney

IRS/ef  
Encls.



# State of California

OFFICE OF THE SECRETARY OF STATE

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

(Articles of Incorporation)

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute  
this certificate and affix the Great  
Seal of the State of California this

MAY 15 1986



*March Fong Eu*

Secretary of State

1531192

ENDORSED  
FILED

In the office of the Secretary of State  
of the State of California

MAY 8 1986

MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION

OF

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

ONE: The name of this corporation is SAN JUAN CAPISTRANO RESEARCH INSTITUTE.

TWO: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The charitable purposes are to conduct scientific activities including, but not limited to, basic research, applied research, engineering, technology development, and science management in a wide range of physical science and related fields.

THREE: The name and address in the State of California of this corporation's initial agent for service of process is Douglas B. Nash, 32906 Avenida Descanso, San Juan Capistrano, California, 92675.

FOUR:

(a) This corporation is organized and operated exclusively for scientific, educational, and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (2) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

(c) No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

FIVE: The names and addresses of the persons appointed to act as the initial Directors of this corporation are:

NAMES:	ADDRESSES:
1. Douglas B. Nash	32906 Avenida Descanso San Juan Capistrano, California
2. Geoffrey A. Briggs	5307 Blackistone Road Bethesda, Maryland
3. Fraser P. Fanale	444 Lunalilo Home Road #228 Honolulu, Hawaii
4. Laurence A. Soderblom	3940 North Paradise Road Flagstaff, Arizona
5. Gary L. Hausdorfer	#2 Strawberry Lane San Juan Capistrano, California

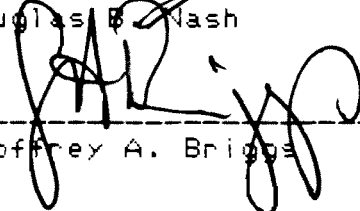
6. Robert H. Stewart      ~~4364 Vision Drive~~  
                                 ~~San Diego, California~~  
                                 ~~LA JOLLA~~
7. Alexander F. H. Goetz      ~~50 S. Lashley Lane~~  
                                 ~~Boulder, Colorado~~
8. Michael W. Berns      26921 Canyon Crest Drive  
                                 San Juan Capistrano, California
9. Wesley T. Huntress, Jr.      ~~812 Sunset Blvd, #4~~  
                                 ~~Arcadia, California~~  
                                 ~~EL PASO~~

SIX: The property of this corporation is irrevocably dedicated to scientific and educational purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code, and no part of the net income or assets of the organization shall ever inure to the benefit of any private person.

On the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for scientific and educational purposes meeting the requirements of Section 214 of the California Revenue and Taxation Code and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

DATE OF SIGNING: JANUARY 24, 198~~7~~<sup>6</sup> *E.B.N.*

  
\_\_\_\_\_  
Douglas B. Nash

  
\_\_\_\_\_  
Geoffrey A. Briggs

Fraser P. Fanale  
Fraser P. Fanale

Laurence A. Soderblom  
Laurence A. Soderblom

Gary L. Hausdorfer  
Gary L. Hausdorfer

Robert H. Stewart  
Robert H. Stewart

Alexander F. H. Goetz  
Alexander F. H. Goetz

Michael W. Berns  
Michael W. Berns

Wesley T. Huntress, Jr.  
Wesley T. Huntress, Jr.

We, the above-mentioned initial Directors of this corporation, hereby declare that we are the persons who executed the foregoing Articles of Incorporation on the dates below, which execution is our act and deed.

We, and each of us, declare that the foregoing is true and correct.

Date: JAN. 24, 1986

Douglas B. Nash  
Douglas B. Nash

Date: Jan 24, 1986

Geoffrey A. Briggs  
Geoffrey A. Briggs

Date: Jan 24, 1986

Fraser P. Fanale  
Fraser P. Fanale

Date: January 30, 1986

Laurence A. Soderblom  
Laurence A. Soderblom

Date: January 24, 1986

Gary L. Hausdorfer  
Gary L. Hausdorfer

Date: 24 January 1986

Robert H. Stewart  
Robert H. Stewart

Date: January 24, 1986

Alexander F. H. Goetz  
Alexander F. H. Goetz

Date: January 24, 1986

Michael W. Berns  
Michael W. Berns

Date: January 24, 1986

Wesley T. Huntress, Jr.  
Wesley T. Huntress, Jr.

\* \* \* \* \*



BYLAWS OF  
SAN JUAN CAPISTRANO RESEARCH INSTITUTE  
a California Nonprofit Public Benefit Corporation

ARTICLE 1. OFFICES

SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in the City of San Juan Capistrano, Orange County, California.

SECTION 2. CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Trustees may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

----- Dated: -----, 19\_\_\_\_  
----- Dated: -----, 19\_\_\_\_  
----- Dated: -----, 19\_\_\_\_

SECTION 3. OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Trustees, from time to time, designate.

ARTICLE 2. PURPOSES

SECTION 1. OBJECTIVES AND PURPOSES

The primary objectives and purposes of the corporation shall be:

(a) to establish and operate a nonprofit basic science research institute.

(b) to directly engage in and provide facilities and management structure for others to engage in the conduct of basic

research and related applied research, engineering, technology development, science management, and science planning, generally.

(c) to provide support for the basic science and technology research program needs of sponsors or customers such as various U.S. Government agencies and their centers of activity, the State of California, universities, and industrial, commercial, or other private enterprise companies.

(d) to qualify for and receive tax-exempt grant funding from research sponsors such as federal and state government agencies, universities, industry, private foundations, and individuals.

(e) to conduct basic research in the physical sciences, biological sciences, and related fields.

(f) to conduct scientific study of the Earth as a global system with emphasis on, but not limited to, the interactions between atmosphere, ocean, rocks, soil, ice, and biological systems, surface and solid-earth geophysics, climate-biosphere-chemical cycles, solar-terrestrial interactions, and the effects of natural and human activities on the Earth's ecological systems.

(g) to study the Earth as a planet and other planets as indicators of past and future earth conditions and as future habitats for mankind.

(h) to attract to the institute the best American and international scientists working in the fields of geology, geophysics, biology, oceanography, meteorology, ecology, remote sensing, atmospheric sciences, solar radiation physics, astronomy, space sciences, and related fields.

(i) to be affiliated with one or more major universities through such activities as, but not limited to, joint ventures, joint appointments and collaborations of professors and staff scientists, involvement of graduate students, sharing of facilities, and other appropriate relationships and interactions.

(j) to provide excellent physical facilities and administrative working conditions in order to appeal to eminent university and other world-class scientists.

(k) to conduct high quality leading research in both established and emerging fields.

(l) to utilize cost-efficient management techniques and innovative technical approaches to conducting research in order to minimize the cost and maximize the quality and productivity of institute operations.

(m) to conduct seminars, colloquia, conferences,

workshops, and other meetings in order to provide interaction between scientists and other individuals and groups for furthering scientific research, program management, science planning, and other purposes of the Institute.

(n) to publish the results of scientific, technological, and other research activities of the Institute in the open, peer-reviewed literature in the form of journal articles and papers, books, manuals, reports, and other media forms as may be appropriate.

### ARTICLE 3. MEMBERS

#### SECTION 1. DETERMINATION OF MEMBERS

This corporation shall make no provisions for members, however, pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the Articles of Incorporation or Bylaws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Trustees.

### ARTICLE 4. TRUSTEES

#### SECTION 1. NUMBER

The corporation shall have fifteen (15) Directors who shall be known as Trustees, and who collectively shall be known as the Board of Trustees. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

#### SECTION 2. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law the activities and affairs of this corporation shall be exercised by or under the direction of the Board of Trustees.

#### SECTION 3. DUTIES

It shall be the duty of the Trustees to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws.

(b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation.

(c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly.

(d) Meet at such times and places as required by these Bylaws.

(e) Register their addresses with the Secretary of the corporation, and notices of meetings mailed or telephoned to them at such addresses shall be valid notices thereof.

#### SECTION 4. ELECTION

The first eleven (11) Trustees of the Corporation shall be elected by the corporation founder Douglas B. Nash. They shall serve for a term of three (3) years from the date of the first annual meeting of the corporation or up to and until elections are held at the fourth (4th) annual meeting, whichever occurs later.

The remaining four (4) Trustees, up to the total of fifteen (15) shall be elected by the Board of Trustees to a term to expire three (3) years from the date of the first annual meeting of the corporation or until elections are held at the fourth (4th) annual meeting, whichever occurs later.

Beginning three (3) years after the first annual meeting of the corporation or until elections are held at the fourth (4th) annual meeting, whichever occurs later, Trustees shall be elected as follows:

(a) Five (5) Trustees shall be elected by the corporation founder Douglas B. Nash or his designee to terms of three (3) years. Thereafter their successors shall be elected by the Board of Trustees for terms of three (3) years.

(b) Five (5) Trustees shall be elected by the Board of Trustees for a term of (2) years, and Five (5) Trustees for a term of one (1) year.

(c) At the expiration of the terms of office of each respective Trustee as specified in paragraph (b) above his or her successor shall thereafter be elected by the Board of Trustees for terms of three (3) years.

Trustees shall be elected by the Board of Trustees at the annual regular meeting of Trustees for the month of January. Nominations of Trustee candidates for election by the Board may be made by the Board or by any two (2) Trustees provided each person to be nominated has consented and agrees to serve if elected. Cumulative voting for the election of Trustees shall not be permitted. Each Trustee shall cast one vote for each Trustee office to be filled by the Board. The candidates up to the number of Trustees to be elected by the Board receiving the highest number of votes shall be elected.

## SECTION 5. TERMS OF OFFICE

Each Trustee shall hold office until the next annual meeting for election of the Board of Trustees as specified in these Bylaws, and until his or her successor is elected and qualifies.

## SECTION 6. COMPENSATION

Trustees shall serve without compensation except that they may be allowed and paid their actual and necessary expenses incurred in attending Trustees meetings and that they may be allowed reasonable compensation for attending meetings with the exact, if any, amount to be fixed by resolution of the Board of Trustees in the manner provided in these Bylaws. In addition, they may be allowed reasonable advancement or reimbursement for expenses incurred in the performance of their regular duties as specified in Section 3 of this Article, and as may be fixed or determined by resolution of the Board to be just and reasonable. Trustees may not be compensated for rendering services to the corporation in any capacity other than Trustee unless such other compensation is reasonable and is allowable under the provisions of Section 7 of this Article.

## SECTION 7. RESTRICTION REGARDING INTERESTED TRUSTEES

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, "interested persons" means either:

(a) any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Trustee as Trustee; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

## SECTION 8. CONFLICT OF INTEREST

It is the policy of this corporation to avoid conflicts of interest, to uphold the integrity of its purposes, and to promote the good faith exercise of the powers of the Trustees. The Board of Trustees may therefore take reasonable action against any Trustee including, but not limited to, the barring of voting by said Trustee on matters such as the solicitation of funding from, or contracting with, any government agency or entity with which said Trustee has a personal interest, financial or otherwise.

## SECTION 9. PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such

place within or without the State of California which has been designated from time to time by resolution of the Board of Trustees. In the absence of such designation, any meeting not held at the principal office of the corporation shall be valid only if held on the written consent of all Trustees given either before or after the meeting and filed with the Secretary of the corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all Trustees participating in such meeting can hear one another.

#### SECTION 10. REGULAR AND ANNUAL MEETINGS

Regular meetings of Trustees shall be held on the last friday of the months of January and June, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same place on the next business day.

At the annual regular meeting of Trustees for the Month of January, Trustees shall be elected for the terms of office provided in these Bylaws.

#### SECTION 11. SPECIAL MEETINGS

Special meetings of the Board of Trustees may be called by the Chairman of the Board, the President, the Vice-President, the Secretary, or by any two Trustees, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

#### SECTION 12. NOTICE OF MEETINGS

Regular meetings of the Board may be held without notice other than that provided in these Bylaws. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone or telegraph. If sent by mail or telegram, the notice shall be deemed to be delivered on its deposit in the mails or on its delivery to the telegraph company. Such notices shall be addressed to each Trustee at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent Trustees if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Trustees absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

### SECTION 13. CONTENTS OF NOTICE

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Board meeting need not be specified in the notice.

### SECTION 14. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each Trustee not notified and not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals, shall be filed with the corporate records or made a part of the minutes of the meeting.

### SECTION 15. QUORUM FOR MEETINGS

A quorum shall consist of a majority of Trustees.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Trustees present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 12 of this Article.

The Trustees present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Trustees from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

### SECTION 16. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present is the act of the Board of Trustees, unless the Articles of Incorporation or Bylaws of this Corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of

committees (Section 5212), approval of contracts of transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

#### SECTION 17. CONDUCT OF MEETINGS

Meetings of the Board of Trustees shall be presided over by the Chairman of the Board, or, if no such person has been so designated or, in his or her absence, the President of the corporation or, in his or her absence, by the Vice-President of the corporation or, in the absence of each of these persons, by a Chairman chosen by a majority of the Trustees present at the meeting. The Secretary of the Corporation shall act as Secretary of all meetings of the Board, provided that in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

Meetings shall be governed by Roberts' Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation, or with provisions of law.

#### SECTION 18. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the Board of Trustees under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. For the purposes of this section only, "all members of the Board" shall not include any "interested Trustee" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Trustees. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Trustees without a meeting and that the Bylaws of this corporation authorize the Trustees to so act, and such statement shall be prima facie evidence of such authority.

#### SECTION 19. VACANCIES

Vacancies on the Board of Trustees shall exist (1) on the death, resignation or removal of any Trustee, and (2) whenever the number of authorized Trustees is increased.

The Board of Trustees may declare vacant the office of a Trustee who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order of judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit



Corporation Law.

The Board of Trustees may declare vacant the office of a Trustee who has missed three or more consecutive regular meetings of the Board.

Trustees may be removed without cause by a majority of the Trustees then in office.

Any Trustee may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary or the Board of Trustees, unless the notice specifies a later time for the effectiveness of such resignation. No Trustee may resign if the corporation would then be left without a duly elected Trustee or Trustees in charge of its affairs, except upon notice to the Attorney General.

With the exception of vacancies left by those persons elected to the Board by the Corporation founder as specified in Section 4 above, vacancies on the Board may be filled by a majority of Trustees then in office, whether or not less than a quorum, or by a sole remaining Trustee.

A person elected to fill a vacancy as provided in this Section shall hold office until the next annual election of the Board of Trustees or until his or her death, resignation or removal from office.

#### SECTION 20. NON-LIABILITY OF TRUSTEES

The Trustees shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

#### SECTION 21. INDEMNIFICATION BY CORPORATION OF TRUSTEES, OFFICERS, EMPLOYEES AND OTHER AGENTS

To the extent that a person, who is, or was, a Trustee, officer, employee or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

## SECTION 22. INSURANCE FOR CORPORATE AGENTS

The Board of Trustees may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including Trustee, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

## ARTICLE 5. OFFICERS

### SECTION 1. NUMBER OF OFFICERS

The officers of this corporation shall be a Chairman of the Board, President, a Secretary and a chief financial officer who shall be designated the Treasurer. The corporation may also have, as determined by the Board of Trustees, one or more Vice-Presidents, Assistant Secretaries, Assistant Treasurers, or other officers. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the Chairman of the Board or President.

### SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Any person may serve as officer of this corporation. Officers shall be elected by the Board of Trustees, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

### SECTION 3. SUBORDINATE OFFICERS

The Board of Trustees may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Trustees.

### SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the Board of Trustees, at any time. Any officer may resign at any time by giving written notice to the Board of Trustees or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation

shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Trustees relating to the employment of any officer of the corporation.

#### SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Trustees. In the event of a vacancy in any office other than that of Chairman of the Board, such vacancy may be filled temporarily by appointment by the Chairman of the Board until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

#### SECTION 6. DUTIES OF CHAIRMAN OF THE BOARD

The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Trustees and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board or prescribed by these Bylaws. If there is no President, the Chairman of the Board shall, in addition, be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 below.

#### SECTION 7. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Trustees, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Trustees. Unless another person is specifically appointed as Chairman of the Board of Trustees, he or she shall preside at all meetings of the Board of Trustees. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

#### SECTION 8. DUTIES OF VICE-PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice-President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be

prescribed by the Board of Trustees.

#### SECTION 9. DUTIES OF SECRETARY

The Secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Trustees, and, if applicable, meetings of committees of Trustees, recording therein the time and place of holding, whether regular or special, how called, how noticed thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with provisions of these Bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or by these Bylaws.

Exhibit at all reasonable times to any Trustee of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws, and the minutes of the proceedings of the Trustees of the corporation.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Trustees.

#### SECTION 10. DUTIES OF TREASURER

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Trustees.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse or cause to be disbursed the funds of the corporation as may be directed by the Board of Trustees, taking

proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any Trustee of the corporation, or to his or her agent or attorney, on request therefor.

Render to the President and Trustees, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation.

Prepare, or cause to be prepared, and certify, or caused to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Trustees.

## SECTION 11. COMPENSATION

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Trustees, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Trustee of the corporation, provided, however, that such compensation paid a Trustee for serving as an officer of this corporation shall only be allowed if permitted under the provisions of ARTICLE 4, Sections 6 and 7, of these Bylaws. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered the corporation which relate to the performance of the charitable or public purposes of this corporation.

## ARTICLE 6. COMMITTEES

### SECTION 1. EXECUTIVE COMMITTEE

The Board of Trustees may, by a majority vote of Trustees then in office, designate two (2) or more of its members (who may also be serving as officers of this corporation) to constitute an Executive Committee and delegate to such Committee any of the powers and authority of the Board in the management of the business and affairs of the corporation, except with respect to:

(a) The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the members or of a majority of all of the members.

(b) The filling of vacancies on the Board or on any committee which has the authority of the Board.

(c) The fixing of compensation of the Trustees for serving on the Board or on any committee.

(d) The amendment or repeal of Bylaws or the adoption of new Bylaws.

(e) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.

(f) The appointment of committees of the Board or the members, thereof.

(g) The approval of any transaction to which this corporation is a party and in which one or more of the Trustees has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

## SECTION 2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees.

## SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Trustees, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Trustees and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Trustees or by the committee. The time for special meetings of committees may also be fixed by the Board of Trustees. The Board of Trustees may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

## ARTICLE 7. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

### SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Trustees, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

### SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Trustees, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

### SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Trustees may select.

### SECTION 4. GIFTS

The Board of Trustees may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

## ARTICLE 8. CORPORATE RECORDS, REPORTS AND SEAL

### SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the state of California:

(a) Minutes of all meetings of Trustees and committees of the Board indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.

(c) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection at all reasonable times during office hours.

## SECTION 2. CORPORATE SEAL

The Board of Trustees may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

## SECTION 3. TRUSTEES' INSPECTION RIGHTS

Every Trustee shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

## SECTION 4. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

## SECTION 5. ANNUAL REPORT

The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all Trustees of the corporation, which report shall contain the following information in appropriate detail:

(a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

(e) Any information required by Section 6 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.



## SECTION 6. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS

This corporation shall mail or deliver to all Trustees a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

(a) Any transaction in which the corporation, or its parent or its subsidiary was a party, and in which either of the following had a direct or indirect material financial interest:

(1) any Trustee or officer of the corporation, or its parent or subsidiary (a mere common trusteeship shall not be considered a material financial interest); or

(2) any holder of more than ten percent (10%) of the voting power of the corporation, its parent or its subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than FIFTY THOUSAND DOLLARS (\$50,000) or which was one of a number of transactions with the same person involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any Trustee or officer.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

## ARTICLE 9. FISCAL YEAR

### SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on the first day of October and end on the last day of September in each year.

## ARTICLE 10. BYLAWS

### SECTION 1. AMENDMENT

Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new

Bylaws adopted as follows by approval of the Board of Trustees.

## ARTICLE 11. AMENDMENT OF ARTICLES

### SECTION 1. AMENDMENT OF ARTICLES

Any amendment of the Articles of Incorporation may be adopted by approval of the Board of Trustees.

### SECTION 3. CERTAIN AMENDMENTS

Notwithstanding the above Sections of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation and of the names and addresses of the first Trustees of this corporation nor the name and address of its initial agent, except to correct an error in such statement or to delete either statement after the corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

## ARTICLE 12. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

### SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No Trustee, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person or reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Trustees; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. On such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, then remaining in the hands of the Board of Trustees, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

# WRITTEN CONSENT OF TRUSTEES ADOPTING BYLAWS

We, the undersigned, are all of the persons named as the initial Directors in the Articles of Incorporation of SAN JUAN CAPISTRANO RESEARCH INSTITUTE, a California nonprofit corporation, and, pursuant to the authority granted to the Directors, known as Trustees, by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing Bylaws, consisting of 18 Pages, as the Bylaws of this corporation.

Dated: AUG. 3, 1986

August 28, 1986

August 3, 1986

August 3, 1986

Aug. 3, 1986

September 17, 1986

May 3, 1986

Aug 3, 1986

Aug 3, 1986

Signed:

Douglas B. Nash, Trustee

Geoffrey A. Briggs, Trustee

Fraser P. Fanale, Trustee

Laurence A. Soderblom, Trustee

Gary L. Hausdorfer, Trustee

Robert H. Stewart, Trustee

Alexander F.H. Goetz, Trustee

Michael W. Berns, trustee

Wesley T. Huntress, Jr., Trustee

## CERTIFICATE OF SECRETARY OF SAN JUAN CAPISTRANO RESEARCH INSTITUTE

I, the undersigned, do hereby certify: I am the duly elected and acting Secretary of said Corporation and that the foregoing is a true and correct copy of the Bylaws of the SAN JUAN CAPISTRANO RESEARCH INSTITUTE and that such Bylaws were duly adopted by the Board of Trustees of SAN JUAN CAPISTRANO RESEARCH INSTITUTE on the date set forth above.

Dated:

Jan 22, 1987

Fraser P. Fanale, Secretary

# PROSPECTUS FOR SAN JUAN INSTITUTE

Douglas B. Nash

10/16/85  
Rev 12/21/85  
Rev 5/5/86

This is an outline of a plan to establish a new science research center in San Juan Capistrano. The formal legal name of the institute is San Juan Capistrano Research Institute, but it will also be known as SAN JUAN INSTITUTE. After several years of preliminary planning the Institute is now in the formative stages, and is targeted to begin operations in early or mid 1987 pending the outcome of numerous negotiations.

The initial theme of San Juan Institute activities will be interdisciplinary scientific study of natural and manmade processes affecting the Earth as a globe. Emphasis will be on studying the interactions between atmosphere, ocean, rocks, soil, ice, and biological systems, and will include studies of surface and solid-earth geophysics, climate-biosphere-chemical cycles, and solar-terrestrial interactions. Currently there is no such institute in the western U.S. devoted to this broad goal, and the establishment of one would be unique and fill a growing national need.

The primary function of the proposed institute will be to conduct such activities as basic research, applied research, engineering, technology development, and science management in a wide range of physical science and related fields. This will be done to support the science and technological program needs of customers such as various U. S. Government agencies (for example, NASA and the National Science Foundation) and their centers of

activity, the state of California, universities, and major industrial, commercial, or other private business companies.

San Juan Institute will be established and operated as a private, nonprofit, public-benefit, California corporation, qualified to receive funds from two sources: (1) tax-exempt grant funding from research sponsors such as federal and state government agencies, universities, and industry; and (2) tax-deductible donations from private individuals and foundations.

The Institute will be designed to attract the best scientists working in the fields of Geology, Geophysics, Biology, Oceanography, Atmospheric Sciences, Solar Radiation Physics, Astronomy, Planetary Science, and Space Science. It will have an academic-like, low-bureaucracy management structure and cost-effective operating plan. It will be independent of but closely affiliated with one or more major universities through joint appointments and collaborations of staff scientists. The institute will provide the very best in physical facilities and administrative working conditions in order to appeal to eminent university and other world-class scientists doing high quality leading research in established and emerging fields, and who want to improve their working conditions and living environment.

The Institute will be located in or adjacent to San Juan Capistrano, California because of that city's uncrowded attractive living and working environment, its year-round mild climate, and its regional proximity to major university, research, and industrial institutions in southern California. There is currently no institute in the area like the one

proposed.

Initial operations will be established in rented, leased, or donated building space of about 5000 square feet in San Juan Capistrano. Land required for a permanent facility will be an initial 10 acres of buildable site area that is expandable in future years to 100 contiguous acres. First permanent facilities will be an office/laboratory building of approximately 20,000 square feet at a cost of about \$4,000,000 including basic furnishings. The building complex will be designed to be expandable in increments of 10,000 to 20,000 square feet. The first formal year operating budget will be approximately \$300,000 and double each year to approximately \$5,000,000 (in 1986 dollars) by year five.

The intended method for acquiring the land and initial permanent facility is to have the land or its long term use donated by a major land owner who can peripherally benefit from establishment of the institute on his or her land holdings, and the money for an initial permanent building, furnishings, and start-up operating budget donated by a foundation or other source seeking to obtain a philanthropic, tax, or other benefit. All ongoing operating funds except for the initial startup funds will come from customer or outside-institutional grant funding supplemented by endowment income.

Initial staff of the Institute will be approximately 5 people, growing within three years to approximately 15 including 7 senior scientists heading 7 groups (which will eventually become divisions) and whose prime initial task will be to expand their groups to at least 4 principal scientists by year five.

Thus, the plan is to have 29 or more senior and principal scientists plus additional support people for a total of about 40-50 people within 5 years of start up. It is anticipated that virtually all of this initial core science staff will be composed of established scientists who bring with them from other institutions their existing research tasks or programs and some associate personnel, and their established ongoing funding sources.

Salaries of the senior (group/division) scientists will initially be in the range from \$55,000 to \$80,000 depending on experience and seniority. Salaries of the staff scientists will range from \$45,000 to \$60,000. Salaries and wages for support personnel will be based on competitive industry standards and other factors.

Employee benefits will include shared-equity home loan assistance for all scientific and technical staff, TIAA/CREF retirement plan and voluntary tax-deferred annuity plans, major group medical, disability, dental, and casualty insurance plans, and paid vacation and sick leave plans for all employees. Other facilities will eventually include a conference center, daycare center, and recreation center.

The institute will be governed by a board of fifteen trustees composed of one founder, ten outside distinguished scientists (from a variety of related institutions), one businessperson, one attorney, one finance/banking person, and one local elected governmental officeholder. The board of trustees shall establish an advisory committee consisting of

prominent experts from various scientific, technical, business, financial, and institutional fields. Also to be established is a local/regional patrons committee (the Friends of San Juan Institute) to promote the Institute within the local and regional community and to assist in fundraising activities. All board and committee members will donate their annual services to the Institute.

The institute will be managed by a director, initially to be the principal proponent and founder of the Institute, but eventually a person chosen by the board for that person's international science reputation and experience in managing scientists and science programs. Under direction from the board of trustees, the director will be responsible for implementing the goals, policies, and operating plans as derived or approved by the Institute Board.

The anticipated growth potential of San Juan Institute will be such that at maturity (after 10-15 years of operation) its total on-site workforce and annual budget could be on the order of 500 people and \$50,000,000, respectively.

The Institute will benefit the surrounding community by stimulating the location nearby of related research or institutional activities, by requiring the services of many local business, commercial, and real estate companies, and by providing jobs and income for professionals, technicians, skilled craftsmen, secretarial, and many other workers including students and part-time employees. The Institute will be a clean, quiet, low-key facility, located in a semi-rural park-like setting surrounded by residential areas that are within walking and



biking distance. The Institute will conduct itself in such a way as to make it an active, respected, and well liked part of the local community.

The essence of San Juan Institute shall be its excellence -- in its people, spirit, facilities, activities, and its peer-reviewed open literature scientific products. They shall be the best possible.

Douglas B. Nash, Founder

32906 Avenida Descanso  
San Juan Capistrano, CA 92675  
(714) 493-4260

RESOLUTION NO. 86-12-16-5

ENDORSING SAN JUAN CAPISTRANO RESEARCH INSTITUTE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN CAPISTRANO, CALIFORNIA, ENDORSING THE ESTABLISHMENT OF THE SAN JUAN CAPISTRANO RESEARCH INSTITUTE

WHEREAS, the San Juan Capistrano Research Institute has been founded as a non-profit, public benefit corporation; and,

WHEREAS, the purpose of the Institute is to establish and operate a science research center for global earth and planetary studies of the scientific and technical issues facing mankind's preservation of the planet earth; and,

WHEREAS, such studies will include the effects of natural and human activities on the earth's ecological systems and the study of other planets as indicators of earth conditions and as future habitats and resources for mankind; and,

WHEREAS, the research goals of the Institute match the spirit of San Juan Capistrano's environmental concerns; and,

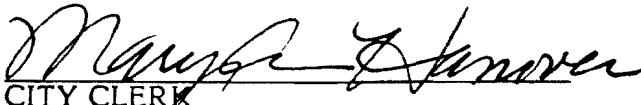
WHEREAS, the Institute is in need of interim facilities, funding, and land in order to fulfill its purpose.

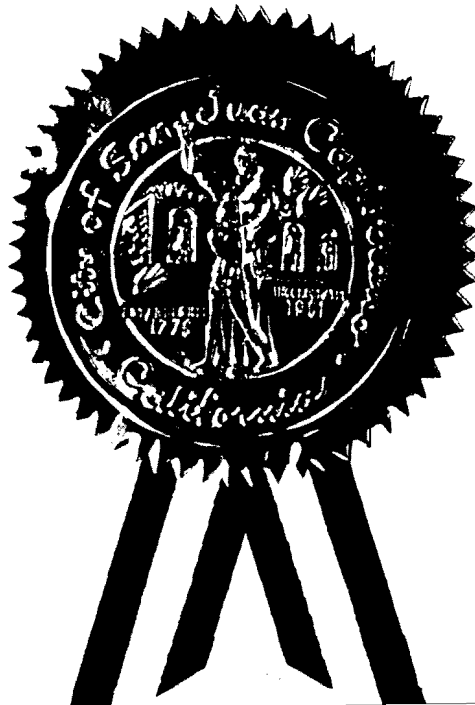
NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Juan Capistrano, does hereby endorse the establishment and operation of the Institute in the City of San Juan Capistrano.

PASSED, APPROVED, AND ADOPTED this 16th day of December, 1986.

  
KENNETH E. FRIESS, MAYOR

ATTEST:

  
CITY CLERK



# San Juan endorses plans for research center

## Institute would study environmental problems

By Dawn Bonker  
The Register

A proposed research institute to study environmental problems and the relationship between biological and physical sciences received a vote of support last week from the San Juan Capistrano City Council.

Council members said they welcomed the concept of the San Juan Research Institute as proposed by Douglas B. Nash, a San Juan Capistrano resident and Jet Propulsion Laboratories scientist.

The council voted 3-0, with Councilman Larry Buchheim absent and Councilman Gary Hausdorfer ab-

staining, to send a resolution of support to the institute's board of trustees.

After hearing plans for the institute last week in an informal presentation by Nash, Mayor Ken Friess called the idea "the kind of things we'd like to see."

The institute would be a center for environmental and planetary studies, which Nash called an emerging discipline in the field of science. Universities aren't well-equipped to mount similar studies because solutions to global environmental problems demand an interdisciplinary approach, he said.

His intent is to create a center where scientists whose work is supported by government grants could locate their research. No research that must be classified would be accepted at the institute, he said.

San Juan Capistrano is centrally located to Southern California universities, with which the institute would have research affiliations, he said.

"The principal focus would be the interaction of biological systems with the atmosphere, soils, rocks and the ocean," he said.

Forest damage and acid rain are typical environmental problems that Nash foresees being studied at the center.

But the institute must get land and seed money if it's to become reality, he said. Several foundations and landowners, including Rancho Mission Viejo, have been approached about supporting the institute with a land donation or endowment, he said.

So far, Nash has received no commitments, he said. Still, he is optimistic.

"We know it sounds ambitious. And

there's a certain probability it won't succeed. But we think our chances are good," he said.

Nash, manager of planetary sciences at the Jet Propulsion Laboratory in Pasadena, said his dream of establishing such an institute is 10 years old. And after serving on the City Council from 1974 to 1978, he said, he became convinced that local resources exist for such an endeavor.

National science leaders also are participating in the institute's founding. The board of trustees for the nonprofit corporation includes the director of the solar-system exploration division of the National Aeronautics and Space Administration. Councilman Hausdorfer, a senior vice president for Weyerhaeuser Mortgage Co., also is a board trustee, which is why he abstained from voting on the resolution of support.



EXECUTIVE VICE CHANCELLOR  
IRVINE, CALIFORNIA 92717

August 15, 1986

Mr. Douglas B. Nash, President  
San Juan Capistrano Research Institute  
32906 Avenida Descanso  
San Juan Capistrano, California 92675

Dear Mr. Nash:

The plan that you and your colleagues have formulated for establishing a nonprofit research center in San Juan Capistrano is of interest to UC Irvine.

Your proposal for establishing an affiliation between the new institute and the University of California at Irvine appears on the surface to be a workable idea. We would be interested in considering the possibility of helping you formulate a new and challenging research activity that would compliment science research activities at UCI. I suggest that the best way to begin interacting with UCI is by fostering collaborations at the research working level between established research groups here and appropriate counterparts which will be operating at San Juan Institute. With your Institute goal of conducting global Earth studies there are several potential UCI people that may wish to consider interacting with SJI; these include Professor Rowland and his atmosphere studies group, Professor Van Hoven's solar wind interaction group, and Professor Sklansky's image group.

It would be relatively easy to establish joint appointments for qualified people; they could be considered for appointments as Adjunct Professors or In-Residence Professor, depending on various factors.

Furthermore, as you suggested, graduate students could be involved in San Juan Institute's activities provided that members of the UCI faculty supervise their work and chair their Doctoral committees; but it is possible for their research to be done off campus at SJI.

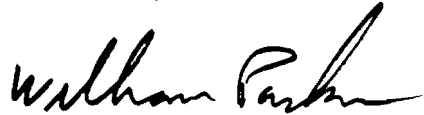
As I mentioned to you, we are considering the possible expansion of our physical sciences curriculum, perhaps to include geology, which as you noted is not presently offered at UCI. With this in mind, there could be benefits to UCI from interactions with a nearby source of high quality geology and geo-related scientists and their activities as those you propose to have at San Juan Institute.

Douglas B. Nash, President  
August 14, 1986  
Page 2

Perhaps the most significant opportunity that UCI would have in being associated with San Juan Institute is the opportunity to influence and be a part of a major new study area, namely global Earth and planetary studies.

Please keep me informed of your progress in establishing San Juan Institute. I would be happy to discuss further with you the ways that SJI could develop a working relationship with UCI.

Sincerely,

A handwritten signature in black ink, appearing to read "William Parker", with a stylized flourish at the end.

William H. Parker  
Associate Executive  
Vice Chancellor

WHP:jf

**SJI**

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

**PRESENTATION OF INSTITUTE PLAN**

BY DOUGLAS B. NASH, PRESIDENT, SJI

SAN JUAN CAPISTRANO, CALIFORNIA  
SEPTEMBER 30, 1986

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

## **GOALS**

- ESTABLISH A MAJOR INSTITUTE FOR SCIENTIFIC RESEARCH IN SAN JUAN CAPISTRANO.
- ATTRACT THE WORLD'S LEADING SCIENTISTS IN THE PHYSICAL AND BIOLOGICAL SCIENCES.
- CONDUCT COORDINATED STUDIES OF EARTH GLOBAL HABITABILITY AND SOLAR SYSTEM UTILIZATION.

DBN-1  
9/30/86

## **WHY A NEW INSTITUTE**

- FEDERAL R&D SPENDING WILL CONTINUE GROWING.
- THERE ARE RELATIVELY FEW INTERDISCIPLINARY INSTITUTES.
- UNIVERSITIES NOT WELL SUITED FOR INTERDISCIPLINARY STUDIES.
- SOME RESEARCH CENTERS (E.G. JPL) HAVE REACHED MAXIMUM GROWTH.
- MANY SCIENTISTS LOOKING FOR IMPROVED WORKING ENVIRONMENT.
- THERE IS NO GLOBAL EARTH STUDIES CENTER IN WESTERN U.S.



## WHY LOCATE IN SAN JUAN

- ATTRACTIVE LIVING AND WORK ENVIRONMENT.
- NO SIMILAR INSTITUTE IN AREA.
- PROXIMITY TO MAJOR UNIVERSITIES.
- CENTRAL TO OTHER INSTITUTIONS AND RELATED INDUSTRY IN S. CALIFORNIA.
- EXCELLENT LOCATION FOR SCIENCE MEETINGS AND CONFERENCES.
- FITS INTO SAN JUAN'S COMMUNITY DEVELOPMENT PLAN.
- INSTITUTE RESEARCH GOALS MATCH SPIRIT OF SAN JUAN'S ENVIRONMENTAL CONCERNS.

## **RATIONALE (EARTH STUDIES)**

- U.S. GOVERNMENT IS PLANNING A MAJOR NEW PROGRAM IN GLOBAL EARTH SCIENCES.
- STUDY OF EARTH AS AN INTEGRATED WHOLE: STUDY CLIMATE, OCEANS, BIOSPHERE, ROCKS, SOLID EARTH DYNAMICS, AND BIOGEOCHEMICAL CYCLES OF MAJOR NUTRIENTS.
- WILL INVOLVE COOPERATION AMONG EARTH SCIENTISTS FROM EVERY PART OF THE WORLD.
- WILL BE SUSTAINED FOR DECADES.
- U.S. AGENCIES INVOLVED INCLUDE NASA, NSF, NOAA, USFS, USGS, ETC.

## **RATIONALE (PLANETARY STUDIES)**

- MANKIND WILL CONTINUE TO EXPLORE AND EVENTUALLY UTILIZE SPACE.
- STUDY OF OTHER PLANETS CAN TEACH US ABOUT PAST AND FUTURE EARTH CONDITIONS.
- U.S. SPACE PROGRAM WILL SURMOUNT CURRENT DIFFICULTIES AND EXPAND.
- POSSIBILITY OF JOINT SPACE EXPLORATIONS WITH OTHER COUNTRIES IS HIGH.
- U.S. SPACE AGENCY (NASA) WILL NEED SPECIALIZED RESEARCH CENTERS FOR PLANNING, MANAGING, AND CONDUCTING FUTURE SPACE EXPLORATION PROGRAMS.

## **OBJECTIVES AND PURPOSES**

- PROVIDE A RESEARCH CENTER FOR SUPPORT OF RESEARCH PROGRAM GOALS OF U.S. GOVERNMENT AGENCIES, STATE OF CALIFORNIA, UNIVERSITIES, AND INDUSTRY.
- CONDUCT BASIC AND APPLIED RESEARCH, ENGINEERING, TECHNOLOGY DEVELOPMENT SCIENCE PLANNING, AND SCIENCE PROGRAM MANAGEMENT IN THE PHYSICAL SCIENCES, BIOLOGICAL SCIENCES, AND RELATED FIELDS.
- CONDUCT SCIENTIFIC STUDIES OF THE EARTH AS A GLOBAL SYSTEM WITH EMPHASIS ON INTERACTIONS BETWEEN ATMOSPHERE, OCEAN, ROCKS, SOIL, ICE, AND BIOLOGICAL SYSTEMS, AND THE EFFECTS OF NATURAL AND HUMAN ACTIVITIES ON THE EARTH'S ECOLOGICAL SYSTEMS.
- CONDUCT SCIENTIFIC STUDY OF OTHER PLANETS AS INDICATORS OF PAST AND FUTURE EARTH CONDITIONS, AND AS FUTURE HABITATS AND RESOURCES FOR MANKIND.

## **OPERATING PHILOSOPHY**

- PROVIDE EXCELLENT FACILITIES AND ADMINISTRATIVE WORKING CONDITIONS TO ATTRACT EMINENT SCIENTISTS.
- RESEARCH TO BE OF SUPERIOR QUALITY AND RELEVANT TO MAJOR PROBLEMS FACING THE PROTECTION AND HABITATION OF THE EARTH AND SOLAR SYSTEM.
- SCIENCE STAFF TO BE Ph.D.-LEVEL, THE BEST AVAILABLE, WELL PAID, HIGHLY PRODUCTIVE AND RESPECTED.
- ALL SCIENCE MANAGERS IN INSTITUTE WILL BE ACTIVE RESEARCHERS.
- BUDGET STRUCTURES, COST CONTROLS, AND FINANCIAL STRATEGIES WILL BE DESIGNED TO MINIMIZE OVERHEAD COSTS CHARGED TO SPONSORING AGENCIES.
- STRONG INTERACTIONS WILL BE MAINTAINED WITH VARIOUS UNIVERSITIES AND RESEARCH CENTERS BY COLLABORATIVE RESEARCH, JOINT STAFF APPOINTMENTS, AND GRADUATE STUDENT INVOLVEMENT.
- ALL RESEARCH RESULTS WILL BE PUBLISHED IN THE OPEN SCIENTIFIC AND UNCLASSIFIED TECHNICAL LITERATURE.

## **OPERATING PLAN**

- **SHORT TERM (1 TO 5 YEARS)**

- START IN DONATED BUILDING(S), ~ 5000 FT<sup>2</sup>
- RECRUIT ESTABLISHED SCIENTISTS WITH ESTABLISHED FUNDING.
- PROPOSE TO AGENCIES FOR NEW RESEARCH GRANTS.
- PROPOSE TO FOUNDATIONS FOR BUILDING AND CAPITAL EQUIPMENT.
- LOCAL SUPPORT GROUP (FRIENDS OF SAN JUAN INSTITUTE) TO AID FUND RAISING.
- BUDGET GROWTH TO ~ \$5,000,000 ANNUAL, ~ 40 PEOPLE.

- **LONG TERM (AFTER ~ 5 YEARS)**

- MOVE TO PERMANENT SITE, ~ 100 ACRES, DONATED.
- OCCUPY DONATED CUSTOM BUILDING(S), ~ 20,000 FT<sup>2</sup> EXPANDABLE TO 75,000 FT<sup>2</sup> .
- EXPAND SCIENCE AND TECHNICAL STAFF AND RESEARCH OPERATIONS.
- ASSUME MAJOR NATIONAL SCIENCE PLANNING AND MANAGEMENT ROLES.
- MAJOR GRANT FUNDS FLOW FROM GOVERNMENT AGENCIES.
- SIGNIFICANT SUPPORT FROM FOUNDATIONS AND ENDOWMENTS.
- BUDGET GROWTH TO ~ \$60,000,000 ANNUAL, ~ 500 PEOPLE.

## **PRESENT STATUS**

- NONPROFIT CORPORATION FORMED, ARTICLES AND BYLAWS FILED.
- STATE AND FEDERAL TAX EXEMPTION [501(C) (3)] OBTAINED.
- BOARD OF TRUSTEES AND OFFICERS ELECTED.
- LETTERHEAD PRINTED, BANK ACCOUNT OPENED.
- MEETINGS HELD WITH MAYOR AND CITY COUNCILMEN.  
(INFORMAL STATEMENTS OF CITY SUPPORT RECEIVED)
- MEETINGS WITH POTENTIAL LAND DONORS.  
(RANCHO MISSON VIEJO, SMYTH COMPANIES)
- MEETINGS WITH POTENTIAL BUILDING-USE DONORS.  
(ORTEGA PROPERTIES)
- MEETING WITH MAJOR FOUNDATION.  
(W.M. KECK FOUNDATION)
- MEETINGS WITH UC IRVINE AND SCRIPPS INSTITUTION.  
(RECEIVED LETTERS OF SUPPORT)
- INFORMAL RECRUITING OF KEY INITIAL STAFF SCIENTISTS.
- PREPARATION FOR NEGOTIATIONS WITH NASA AND JPL.
- PLANS AND DISCUSSIONS WITH KEY INDIVIDUALS FOR  
COMMUNITY SUPPORT GROUP.

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

**BOARD OF TRUSTEES \***

	<u>POSITION</u>	<u>INSTITUTION</u>	<u>HOME</u>
MR. DOUGLAS B. NASH (PRES.)	RESEARCH GEOLOGIST, MGR, PLANETARY SCI.	JET PROPUL. LAB, PASADENA	SAN JUAN
DR. GEOFFREY A. BRIGGS (V.P.)	PLANETARY SCIENTIST, SEN.MGR, SOL SYST.EXPLOR.	NASA, WASH. D.C.	BETHESDA
DR. FRASER P. FANALE (SEC.)	PROF. PLANETARY SCI. DEP.MGR.,GEOSCI.DIV.	U. HAWAII	HONOLULU
DR. MICHAEL W. BERNS (TRES.)	PROF.BIOLOGY DIR.,BECKMAN LASER INST.	U.C. IRVINE	SAN JUAN
MR. GARY L. HAUSDORFER	MORTGAGE BROKER SEN.V.P.,INCOME PROP.	WEYERHAUESER, IRVINE	SAN JUAN
DR. LARRY A. SODERBLOM	GEOPHYSICIST, SPACECRAFT MISSION SCI.	U.S. GEOL.SURVEY	FLAGSTAFF
DR. WESLEY T. HUNTRESS	ATMOSPHERIC CHEMIST, MGR, SCIENCE PROGRAMS	JET PROPUL.LAB, PASADENA	EL TORO
DR. ROBERT H. STEWART	OCEANOGRAPHER, SPACECRAFT PROJ.SCI.	SCRIPPS INST., U.C. SAN DIEGO	LA JOLLA
DR. ALEX F.H. GOETZ	PROF.GEOL.SCI. DIR.,REMOTE SENSING INST.	U. COLORADO	BOULDER

\* SIX SEATS YET TO BE FILLED



SAN JUAN CAPISTRANO RESEARCH INSTITUTE

**COMMITTEES**

	<u>CHAIRMAN</u>
EXECUTIVE	NASH
FINANCE	GOETZ
FACILITIES	HAUSDORFER
PROGRAMS	SODERBLOM
STAFFING	HUNTRESS
INSTITUTIONAL	STEWART

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

**PROPOSED 5-YEAR BUDGET (SUMMARY)**

EXPENDITURES (K) :	1	2	3	4	5
SALARIES	195	363	839	1605	2677
OVERHEAD	114	230	470	734	1135
CAPITAL EQUIP.	50	200	360	445	375
RESERVES	45	87	195	344	564
TOTAL	404	880	1864	3128	4751
INCOME (K) :					
SPONSOR GRANTS (P.I.)	309	593	1309	2339	3812
DONATIONS*	75	370	370	370	350
ENDOWMENT INCOME	0	0	10	50	75
CONTRACTS, GRANTS (PROGR)	0	70	310	430	540
MISC.	20	32	40	60	80
TOTAL	404	1033	2039	3249	4857
STAFF WORKYEARS:	3	7	15	26	43

\* DOES NOT INCLUDE BUILDING OR LAND DONATIONS

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

## NEXT MOVES

- OBTAIN DONATED USE OF OFFICE BUILDING FOR INTERIM SITE.
- IDENTIFY PERMANENT SITE, OBTAIN LAND DONATION COMMITMENT.
- NEGOTIATE WITH NASA REGARDING GRANTS, PROGRAMS, CONTRACTS.
- ESTABLISH RESEARCH RELATIONS WITH JPL, UC IRVINE, SCRIPPS, ETC.
- FORM LOCAL SUPPORT GROUP, RAISE SEED MONEY.  
(FOR PURCHASE OF FURNITURE, EQUIPMENT, SUPPLIES, INSURANCE, ETC.)
- GO PUBLIC. ANNOUNCE INSTITUTE FORMATION AND PLANS.
- OBTAIN FORMAL SUPPORT FROM CITY COUNCIL.  
(REQUEST CITY GUARANTEE OF LEASE ON DONATED BUILDING IF NEEDED)
- SUBMIT RESEARCH PROPOSALS TO AGENCIES.
- RECRUIT KEY SCIENCE STAFF MEMBERS.  
(WHO WILL COME WITH THEIR SALARY AND SUPPORT FUNDS.)
- MOVE INTO INTERIM BUILDING AND BEGIN OPERATIONS.

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

## DESIRED INTERIM BUILDING CHARACTERISTICS

- APPROXIMATELY 5000  $\text{FT}^2$  MINIMUM WITH ~ 50% OVERFLOW POTENTIAL.
- DIVIDED INTO MANY SMALL OFFICE SPACES (100-150  $\text{FT}^2$  EACH).
- ONE OR TWO LAB SPACES (~ 500  $\text{FT}^2$  EACH).
- QUIET, ATTRACTIVE LOCATION, IN SAN JUAN.
- PARKING FOR ~ 20-30 AUTOS.

## **DESIRED PERMANENT SITE CHARACTERISTICS**

- ADJACENT TO RESIDENTIAL OR OPEN SPACE.
- SCENIC OR PARK-LIKE TERRAIN FEATURES.
- QUIET LOCALE, NOT ADJACENT TO FREEWAY OR HEAVY TRAFFIC.
- POTENTIAL FOR CAMPUS-LIKE ENVIRONMENT.
- AMPLE ROOM FOR LONG-TERM (50 YR) GROWTH (10-100 ACRES).
- STRONG TIE TO CITY OF SAN JUAN CAPISTRANO.  
(WITHIN OR ADJACENT TO CITY BOUNDARY.)

SAN JUAN CAPISTRANO RESEARCH INSTITUTE

**PRESENT NEEDS**

- INTERIM BUILDING (~ 5000 $\text{FT}^2$ )
- SEED MONEY (~ \$150,000)
- LAND COMMITMENT (10 ACRES, EXPANDABLE TO ~100 ACRES)
- BUILDING FUND (GOAL \$5,000,000 BY YEAR 5)
- ENDOWMENT FUND (GOAL \$1,000,000 BY YEAR 5)

## **BENEFITS TO COMMUNITY**

- HIGH QUALITY EMPLOYMENT CENTER DOING IMPORTANT, EXCITING WORK.
- SPUR LOCATION NEARBY OF RELATED SERVICE AND TECH BUSINESSES.
- ABOVE-AVERAGE INCOME EMPLOYEES BUYING HOMES, SERVICES, GOODS.
- WELL EDUCATED EMPLOYEES CONTRIBUTING TO COMMUNITY WELL BEING.
- DRAW MANY VISITORS AND GROUPS FOR MEETINGS, CONFERENCES.
- SUBSTANTIAL INFLOW OF FEDERAL AND OTHER GRANT MONEY, AID LOCAL ECONOMY.
- INSTITUTE RESOURCES AVAILABLE TO AID LOCAL GOVERNMENTS.
- ADD TO COMMUNITY SPIRIT AND CHARACTER.

## CONCLUSION

- SAN JUAN INSTITUTE CAN BECOME A REALITY  
IF THE RIGHT PEOPLE SUCCESSFULLY  
COMBINE THEIR KNOWLEDGE, SKILLS,  
AND RESOURCES.